United Nations A/68/946–E/2014/91

General Assembly
Economic and Social Council

Distr.: General
11 July 2014

Original: English

General Assembly
Sixty-eighth session
Agenda items 9, 17 (c) and 18

Report of the Economic and Social Council

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Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference

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High-level segment

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Economic and environmental questions

Letter dated 7 July 2014 from the Permanent Representative of the Plurinational State of Bolivia to the United Nations addressed to the Secretary-General and the President of the Economic and Social Council

I have the honour to transmit herewith the declaration in support of Argentina regarding the ruling on NML Capital Ltd. vs. Republic of Argentina, adopted by the Member States of the Group of 77 and China at an ambassadorial meeting held at United Nations Headquarters on 25 June 2014 (see annex).

On behalf of the Group of 77 and China, I would appreciate it if the present letter and its annex were circulated as a document of the sixty-eighth session of the General Assembly, under agenda items 9, 17 (c) and 18, and of the 2014 session of the Economic and Social Council, under items 4, 8 (a) and 15 of its provisional agenda.

(*Signed*) Sacha Sergio **Llorentty Solíz**
Ambassador and Permanent Representative
Chair of the Group of 77

* E/2014/1/Rev.1, annex II.

14-57344 (E) 150714

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Annex to the letter dated 7 July 2014 from the Permanent Representative of the Plurinational State of Bolivia to the United Nations addressed to the Secretary-General and the President of the Economic and Social Council

Declaration in support of Argentina regarding the ruling on NML Capital Ltd. vs. Republic of Argentina

The Group of 77 and China met at the ambassadorial level on 25 June 2014 and was briefed by Hector Timerman, Minister of Foreign Affairs and Worship of Argentina, and Axel Kicillof, Minister of Economy and Public Finance of Argentina, on New York District Court Judge Thomas Griesa's ruling on the NML vs. Argentina case.

The Group of 77 and China expressed its full solidarity and support for Argentina regarding this issue and highlighted its concerns over the serious consequences of the ruling, which go far beyond Argentina and could affect any country facing similar situations. Furthermore, the Group stressed its deep concern about this judicial decision and considered that it was not the proper instance for resolving these issues. The Group underlined that this ruling could have adverse systemic implications, given that the voluntary renegotiations of debts and debt restructurings would become more difficult if not impossible.

The Group of 77 and China further called for a process that promotes fair and balanced negotiating conditions to resolve this dispute, taking into account the interests of 100 per cent of the bondholders.

The Group of 77 and China furthermore recalled that, in the declaration adopted in Santa Cruz de la Sierra, Plurinational State of Bolivia, on 15 June 2014 (A/68/948, annex), the Heads of State and Government of the Group of 77 and China noted that "a new concern has emerged relating to the activities of vulture funds". They also expressed that "recent examples of the actions of vulture funds in international courts have revealed their highly speculative nature", and that "such funds pose a risk to all future debt-restructuring processes, both for developing and developed countries". They therefore "stressed the importance of not allowing vulture funds to paralyse the debt-restructuring efforts of developing countries, and that these funds should not supersede a State's right to protect its people under international law".

Finally, the Group of 77 and China reiterated the urgent need for the international community to examine options for an effective, equitable, durable, independent and development-oriented international debt resolution mechanism, and called upon all countries to promote and contribute to the discussions within the United Nations and other appropriate forums with that objective.